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GOVERNMENT OF PUNJAB

DEPARTMENT OF MINES AND GEOLOGY

E-AUCTION NOTICE

The 12th July, 2019

No. 3070/E-auction.-Pursuant to order dated 12.07.2019 regarding E-Auction of Block No. 6 issued by Secretary-cum-Director, Department of Mines and Geology, Government of Punjab (Annexure-B), the Re-Auction of Block No. 6 comprising of District Pathankot will be held amongst already qualified 5 No bidders namely :

- 1) Grand Developer Private Limited
- 2) Choudhary Power Projects Pvt. Ltd.
- 3) Gauravh Wines Private Limited
- 4) Rakesh Kumar Choudhary
- 5) Sainik Foods Private Limited

These bidders have been found eligible by the committee of Executive Engineers and the EMD deposited by the bidders has not been refunded. Therefore, they need not to re-submit the relevant documents required as per NIT, Form Fee and EMD. However they have to register themselves and submit the processing fee as applicable for participation in the bidding process as per schedule below:

SCHEDULE

Activity	Date
Start date for Registration of Bidders	13-07-2019 10.00 AM
Last date for registration of Bidders	17-07-2019 1.00 PM
Date of e-auction	18-07-2019 11.00 AM To 1.00 PM

TERMS & CONDITIONS FOR E-AUCTION:-

All the 5 bidders who participated in the bidding process vide E-Auction Notice No MDM/Pb/E-Auction/2019/2231 Dated 30/05/2019 and were found to be eligible, have to adhere to all the terms and conditions of the Auction notice dated 30.05.2019 except for condition No 6(c) of process of bidding, which shall be read as under:

"6 (c). Bidder shall bid at reserve price or above with minimum incremental bid of Rs. 5,00,000 at a time. Every subsequent bid shall be higher than the last bid and eventually the highest bidder wins the concession. Maximum increment of bid shall not be more than Rs 3,00,00,000. (Rupees Three Crore only)."

Detail of Mining Block is at Annexure A.

Sd/-
Chief Engineer/Mines
For Secretary Mines and Geology
Department, Punjab, Chandigarh

ANNEXURE A
Details of Mining Blocks

Sr. No.	Name of Mining Block	Districts Involved	Annual Concession Quantity (Lakh MT)	Reserve Price (Cr)	EMD @ 25% of Reserve price (Cr)	Area of identified Mines	Sand/ Gravel	XEN Incharge
1	2	3	4	5	6	7	8	9
1	Block 6	Pathankot	69.8	60.03	15.01	290.48	Sand/ Gravel	XEN Gurdaspur

ANNEXURE B

Government of Punjab
Department of Mines & Geology

Order regarding e-auction of Block-6

WHEREAS the State of Punjab had formulated and issued the Punjab State Sand and Gravel Mining Policy, 2018 [**the Mining Policy, 2018**] consequent to which the Punjab Minor Mineral Rules, 2013 [**the 2013 Rules**] formulated by the State Government under the Minerals (Development & Regulations) Act, 1956 [**the 1956 Act**] were amended vide notification dated 22nd October, 2018 [**the 2018 Amendment**];

Whereas in line with the above policy and rules e-auction notice dated 30.05.2019 and corrigendums dated 21/06/19 and 28/06/19 were issued for auction on 5.07.2019 for Mining block No.6 pertaining to District Pathankot. The prospective bidders were required to upload the required documents and EMD by 28th June, 2019. The following five entities applied and were found technically eligible by the committee of Executive Engineers constituted for the purpose:-

1. Grand Developer Private Limited.
2. Choudhary Power Projects Pvt. Ltd.
3. Gauravh Wines Private Limited.
4. Rakesh Kumar Choudhary,
5. Sainik Foods Private Limited.

The e-auction amongst these five entities was conducted on 05.07.2019 from 11:00 AM to 1:00 PM. The auction was monitored in the Committee room of Punjab Infotech, Udyog Bhawan sector-17, Chandigarh, wherein the observers nominated by the Government including Justice Harbans Lal (Pctd) were also present.

As per record, first bid was received from Grand Developer Private Limited at Rs 60.08 Cr at 12:48:12PM against the reserve price of Rs. 60.03 Crores. Second bid was made by M/s Choudhary Power Projects Pvt. Ltd. for Rs. 600.18 Crores at 12:48:41P.M. Thereafter no other bid was received.

A few minutes thereafter two e-mails were received by Chief Engineer Mining (chiefminingpb@gmail.com) from choudharypowerprojects@gmail.com saying that the bid may be canceled due to wrong bid. The e-mail received 1:11PM stated that "As we were submitting the bid as Rs. 601800000/- but due to mistake from our side we have submitted the bid for Rs. 6001800000/- this is a huge mistake from our side please cancel the our bid as soon as possible. Inconvenience is regretted." A letter was also received on e-mail on the letterhead of Choudhary Power Projects Pvt. Ltd. stating that because of typographical mistake sixty crore eighteen lakhs has been written as six hundred crore and eighteen lakhs and the quote should be taken as sixty crore eighteen lakh rupees.

This bid was clearly unrealistic and unviable keeping in view the capped sale price of Sand and Gravel at Rs 9/cft at pit head. Therefore the plea of the bidder that it was a mistaken bid appeared genuine to the Department officials. Consequently Principal Secretary Mining referred the matter to the AG for further course of action. The Learned Advocate General gave his opinion on 10.07.2019. The relevant paras 3 and 4 of AG's legal opinion are reproduced as under:-

"3 I have perused the terms and conditions of the auction notice more specifically Clause 6-f thereof which reads as under:-

"The Director reserves the rights to cancel any bid given by the bidder, to annul the bidding process and reject all or any of the bids at any time or to exclude any mining block from the auction and this being in the realm of contract, there shall be no obligation to communicate such reasons to any bidder."

4. Therefore, the Director Mining can always cancel a bidding process, It will serve the interest of the justice as well as will protect the revenue of the State if a fresh notice is


given to all these five bidders who were qualified up till the cut of date who were prejudiced by the erroneous bid and a fresh date to e-auction be given, giving them full opportunity again to participate in the bidding process. This will not only be the fair and transparent approach to adopt but also enable the Government to realize legitimate revenue for the grant of public largesse in the form of mining contracts. The notice for re-auction should clearly state this fact and it should be speaking in nature."

The opinion of AG was put up to the Water Resources and Mining Minister who ordered to proceed as per AG's advice.

I have carefully gone through the record placed before me by the Chief Engineer Mining. It is clear from the record that the M/s Choudhary Power Projects Pvt. Ltd committed a bonafide error in entering the bid of Rs. 600.18 crore Instead of Rs. 60.18 Crore. The previous bid was for Rs. 60.08 crore and no person in his right mind would raise the bid by as much as ten times specially when there is a cap fixed by the Department on the price which can be charged for Sand and Gravel from the mines. It is also noteworthy that the software has no provision for entry of the bid in words. The bid has to be made in digits only. Under these circumstances the addition of an extra zero by mistake was quite possible. Furthermore, the bidder immediately informed the Chief Engineer Mining on e-mail about the mistake. Therefore, I find no reason to doubt that this was a genuine error. Therefore, it will be in the public interest and in the interest of justice to annul the bidding that took place on 5.07.2019 in regard to Block No.-6 and hold the bidding afresh between the same parties who had deposited the earnest money in pursuance of the e-auction notice and were found technically qualified for participating in this auction.

Since the earnest money deposited by the bidders has not been refunded, they will be allowed to participate in the bidding process on the basis of the same earnest money. A notice may be issued by the Chief Engineer Mining to all the five qualified bidders informing them to register online by 17.07.2019 by 1:00 PM. Bidding will take place on 18.07.2019 from 11:00 AM to 1:00 PM with the same terms and conditions as notified in the auction notice dated 30.5.2019 and related documents. This schedule may also be notified on the e-procurement website.

It is further directed that in order to avoid repetition of similar mistakes as committed by M/s Choudhary Power Projects Pvt. Ltd in the auction on 5.07.2019, the maximum incremental bid which any bidder can make at one time shall not exceed Rs. 3 Crores. Chief Engineer Mining will ensure that the necessary change is made in the software of e-auction before the 18.07.2019.


Secretary-cum-Director
Department of Mines and Geology
Government of Punjab